



OFFICE OF THE ATTORNEY GENERAL

HARDY MYERS

FOR IMMEDIATE RELEASE

June 28, 2007

AG STOPS OUT-OF-STATE COMPANIES FROM USING 'JUNK SCIENCE' TO PROMOTE CHIROPRACTIC DEVICES

Oregon Chiropractors Disseminated Deceptive Advertisements

Attorney General Hardy Myers today filed settlement agreements with a Florida manufacturer of "spinal decompression devices" and a California chiropractor, who markets promotional services to chiropractors. The agreements resolve allegations that the companies disseminated deceptive advertisements in Oregon that were used by Oregon chiropractors.

Named in Assurances of Voluntary Compliances (AVC) filed in Marion County Circuit Court are Axiom Worldwide, Inc. of Tampa, Florida and Altadonna Communications, Inc. and its owner Benjamin A. Altadonna of Danville, California. Neither AVC admits law violation.

"Oregon chiropractors must do their own homework before purchasing and promoting medical devices," Myers said. "Medical professionals cannot simply rely on the sellers' claims without investigating for themselves."

"Consumers also must be wary of unrealistic health claims that lack adequate substantiation; even those being made by Oregon medical professionals," Myers added.

Oregon Department of Justice (DOJ) lawyers, initially using information from the Oregon Board of Chiropractors, found that Axiom manufactures a "spinal decompression device" called the DRX 9000 used by medical professionals to treat back pain. The devices, costing approximately \$100,000 each, were sold throughout the country including nine in Oregon. Along with the device, Axiom provided a marketing

package that included deceptive sample advertisements. Assisting with Axiom's promotion of the DRX 9000 was California chiropractor Benjamin Altadonna and his company Altadonna Communications.

DOJ lawyers found deceptive claims throughout the advertising package including statements that the DRX 9000 had an 86 percent success rate for the treatment of degenerative disc disease, disc herniations, sciatica and post-surgical pain; in fact, the companies did not possess competent and reliable evidence to substantiate the claim.

The companies stated that the Food and Drug Administration (FDA) approved the devices and substantiated their claims of effectiveness. DOJ found the device had merely been cleared as similar to preexisting devices. They also misrepresented the DRX 9000 by claiming it was a scientific and medical breakthrough that resulted from NASA discoveries when, in fact, NASA discoveries had no relationship with the device.

Under the agreements, both companies must change how they market their products. All promotional claims must be substantiated with "competent and reliable scientific evidence," which means tests, analysis, research, studies, or other evidence based on the expertise of professionals in the relevant area.

The agreement also prohibits the companies from misrepresenting scientific studies and patient testimonials.

Axiom must pay DOJ's Consumer Protection and Education Fund a total of \$100,000. If Axiom complies with the AVC, \$25,000 will be suspended.

Benjamin Altadonna and Altadonna Communications Inc. must pay the state's Consumer Protection and Education Fund a total of \$25,000.

Consumers wanting more information about consumer protection in Oregon may call the Attorney General's consumer hotline at (503) 378-4320 (Salem area only), (503) 229-5576 (Portland area only) or toll-free at 1-877-877-9392. The Department of Justice is online at www.doj.state.or.us.

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CONTACT: Jan Margosian, (503) 947-4333 (media line only)

Email: jan.margosian@doj.state.or.us

ENTERED

JUN 28 2007

17

STATE OF OREGON
MARION COUNTY COURTS

JUN 28 2007

FILED

CIRCUIT COURT OF OREGON

MARION COUNTY

IN THE MATTER OF:

AXIOM WORLDWIDE, INC.

Case No.

07C16238
ASSURANCE OF VOLUNTARY
COMPLIANCE

1.

Axiom Worldwide, Inc. has sold spinal decompression devices to doctors in Oregon and is the Respondent herein. This agreement is between Respondent and the Oregon Department of Justice ("DOJ") acting pursuant to ORS 646.632.

PROCEDURE

2.

This Assurance of Voluntary Compliance ("AVC") is a settlement of a disputed matter. It shall not be considered an admission of a violation of any law, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Respondent expressly denies. This AVC does not constitute an admission by Respondent for any purpose, of any fact or of a violation of any state law, rule, or regulation, nor does this AVC constitute evidence of any liability, fault, or wrongdoing. Respondent enters into this AVC for the purpose of resolving the concerns of DOJ. Respondent does not admit any violation of the State Consumer Protection Laws, and does not admit any wrongdoing that could have been alleged by DOJ. Respondent and DOJ agree that no provision of the AVC operates as a penalty, forfeiture, or punishment under the Constitution of the United States, under the Constitution of the State of Oregon, or under any other provision of law.

1 3.

2 Respondent acknowledges it received a notice from the State of Oregon pursuant to ORS
3 646.632(2) of the alleged unlawful trade practice and the relief to be sought. In that regard,
4 DOJ has investigated the advertising practices of Respondent and persons utilizing products
5 manufactured and/or sold by Respondent in the State of Oregon for purposes of determining
6 whether such advertising practices have violated the Oregon Unlawful Trade Practices Act,
7 ORS 646.605 through ORS 646.656 or any other legal requirements. This investigation
8 included, but was not limited to, the matters which are specified in the Notice of Unlawful
9 Trade Practices and Proposed Resolution attached hereto as **Exhibit A**. For purposes of this
10 AVC, the DOJ investigation of Respondent's business practices as described in this paragraph
11 shall be referred to as the "**Matters Investigated**."

12 4.

13 Respondent understands and agrees that this AVC applies to Respondent, Respondent's
14 principals, officers, directors, agents, employees, representatives, successors and assigns, jointly
15 and severally, while acting personally, or through any corporate or other business entities,
16 whose acts, practices or policies are directed, formulated or controlled by Respondent.
17 Respondent shall be responsible for making the substantive terms and conditions of this AVC
18 known to its officers, directors, managers, and employees who are responsible for implementing
19 the obligations set forth in this AVC.

20 5.

21 Respondent understands and agrees that if this AVC is accepted by DOJ, it will be
22 submitted to the Circuit Court of the State of Oregon for Marion County for approval, and, if
23 approved, will be filed with the court pursuant to ORS 646.632(2).

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Respondent agrees to accept service of a conformed or court certified copy by prepaid first class mail sent to the address following Respondent's signature and to Respondent's attorney.

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If monies which are ordered to be paid in this AVC are not paid timely, DOJ may convert the AVC to a money judgment under ORS 646.632(2); provided, however, DOJ shall provide Respondent and Respondent's attorneys with written notice, in accordance with paragraph 8, of any default in payment and Respondent shall have fifteen (15) business days from the date of such notice to cure the default. In the event that such default is not cured, DOJ may convert the AVC to a money judgment as provided herein. Respondent agrees that a copy of the money judgment may be sent to Respondent, via first class mail to the address following Respondent's signature and to Respondent's attorney.

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Respondent understands that, in addition to any other sanctions which may be imposed under this AVC or under the law, violation of any of the terms of this AVC may result in contempt of court proceedings, civil penalties of up to \$25,000 for each violation, and such further relief as the court may deem appropriate. ORS 646.632(4), ORS 646.642(1) and ORS 646.642(2). If DOJ determines that Respondent has failed to comply with any of the terms of this AVC, and if in DOJ's sole discretion, failure to comply does not threaten the health or safety of the citizens of the State of Oregon, DOJ shall notify Respondent in writing at the following facsimile number: 813-884-9008 and overnight mail addressed to Axiom Worldwide, Inc., 9423 Corporate Lake Drive, Tampa, Florida 33634, with a copy to Respondent's attorneys by mail at Harrang Long Gary Rudnick PC, attention: James E. Mountain, 1001 SW 5th Avenue, 16th Floor, Portland, OR 97204 and by facsimile to Akerman Senterfitt, attention: L. Joseph Shaheen at 813-223-2837, or any person subsequently designated by Respondent to receive

1 such notice of failure to comply. The notice shall advise Respondent of the manner in which it
2 is believed that this AVC has been violated. Respondent shall then have fifteen (15) days from
3 the receipt of such written notice to provide a good faith written response to DOJ's
4 determination (the "**Cure Period**"). The response shall include an affidavit containing, at a
5 minimum, either:

6 (A) a statement explaining why Respondent believes it is in compliance with the AVC;

7 or

8 (B) an explanation of how the alleged violation occurred and

9 (1) a statement that the alleged breach has been cured and how; or

10 (2) a statement that the alleged breach cannot be reasonably cured within fifteen

11 (15) days from receipt of the notice, but:

12 (a) Respondent has begun to take corrective action to cure the alleged
13 breach;

14 (b) Respondent is pursuing such corrective action with reasonableness
15 and due diligence; and

16 (c) Respondent has provided DOJ with a reasonable timetable for curing
17 the alleged breach.

18 9.

19 Nothing herein shall prevent DOJ from agreeing in writing to provide Respondent with
20 additional time beyond the fifteen (15) day period to respond to the notice of failure to comply.

21 10.

22 Nothing herein shall be construed to exonerate any contempt or failure to comply with
23 any provision of this AVC after the Effective Date; to compromise the authority of DOJ to
24 initiate a proceeding for any contempt or sanctions for failure to comply; or to compromise the
25 authority of the court to punish as contempt any violation of this AVC. Furthermore, nothing in
26 this subsection shall be construed to limit the authority of DOJ to protect the interest of the State

1 of Oregon. Notwithstanding the foregoing, DOJ agrees that it will not institute an enforcement
2 proceeding relating to the practices at issue in the notice provided under Section 8 against
3 Respondent during the Cure Period.

4 11.

5 The parties acknowledge that no other promises, representations or agreements of any
6 nature have been made or entered into by the parties. The parties further acknowledge that this
7 AVC constitutes a single and entire agreement that is not severable or divisible, except that if
8 any provision herein is found to be legally insufficient or unenforceable, the remaining
9 provisions shall continue in full force and effect.

10 **REMEDIES**

11 12.

12 Respondent shall comply with Oregon's Unlawful Trade Practices Act, ORS 646.605 to
13 ORS 646.656.

14 13.

15 Respondent shall not represent or imply that DOJ acquiesces or approves of
16 Respondent's past business practices, current practices, efforts to reform its practices, or any
17 future practices that Respondent may adopt or consider adopting. DOJ's decision to settle this
18 matter or to otherwise unilaterally limit current or future enforcement action does not constitute
19 approval or imply authorization for any past, present, or future business practice.

20 14.

21 Respondent shall pay the sum of One Hundred Thousand Dollars (\$100,000) to DOJ for
22 deposit to the Consumer Protection and Education Revolving Account established pursuant to
23 ORS 180.095. Said sum shall be used by DOJ as provided by law. The monies due under this
24 paragraph are payable as follows: (a) Twenty-five Thousand Dollars (\$25,000) of said One
25 Hundred Thousand Dollars shall be paid to DOJ within thirty (30) days following approval of
26 this AVC by the Court; (b) an additional Twenty-five Thousand (\$25,000) shall be paid to DOJ

1 within sixty (60) days of approval of this AVC by the Court; (c) an additional Twenty-five
2 Thousand (\$25,000) shall be paid to DOJ within ninety (90) days following approval of this
3 AVC by the Court; (d) DOJ agrees to suspend the remaining Twenty-five Thousand Dollars
4 (\$25,000) provided that Respondent fully complies with all conditions of paragraphs 14 and 15
5 of this AVC. Failure of Respondent to strictly comply with this payment schedule shall result in
6 forfeiture of the suspended Twenty-Five Thousand Dollar payment. Notwithstanding paragraph
7 7, if the DOJ determines in good faith that Respondent has failed to comply with the conditions
8 of paragraphs 14 or 15 of this AVC, DOJ may convert the suspended Twenty-five Thousand
9 Dollars (\$25,000) into a General Judgment Money Award if said Twenty-five Thousand Dollars
10 (\$25,000) is not voluntarily paid within ninety (90) days of notice to Respondent of its
11 noncompliance with this AVC from DOJ. The notice to Respondent shall identify and describe
12 the basis for DOJ's determination that Respondent has not complied with paragraphs 14 or 15 of
13 the AVC. If Respondent believes DOJ has not made a good faith determination under this
14 paragraph, then Respondent shall be entitled to seek from the Court a review of such
15 determination by DOJ and/or declaratory relief regarding such determination by DOJ.

16 15.

17 Effective immediately upon execution by Respondent of this AVC, Respondent agrees
18 to adhere to each of the following requirements:

19 A. Respondent shall not make any express or implied statements in the offer or sale
20 of Respondent's products that have the capacity, tendency or effect of deceiving or misleading
21 or that fail to state any material fact, the omission of which deceives or tends to deceive.

22 B. Respondent, in connection with the labeling, advertising, promotion, offering for
23 sale, sale, or distribution of their products, shall not make any representation, expressly or by
24 implication, concerning such products' efficacy, performance, safety or benefits, unless, at the
25 time the representation is made, Respondent possesses and relies upon competent and reliable
26 scientific evidence that substantiates the representation.

1 C. For purposes of this Assurance, "*competent and reliable scientific evidence*"
2 shall mean tests, analysis, research, studies, or other evidence based on the expertise of
3 professionals in the relevant area, that have been conducted and evaluated in an objective
4 manner by persons qualified to do so, using procedures generally accepted in the profession to
5 yield accurate and reliable results.

6 D. Respondent shall not disseminate any patient testimonial relating to
7 Respondent's products that does not clearly and conspicuously disclose what the generally
8 expected performance would be in the depicted circumstances or clearly and conspicuously
9 disclose the limited applicability of the experience described by the patient testimonial to what
10 consumers may generally expect to achieve.

11 E. When Respondent presents information in detailing pieces, brochures, booklets,
12 mailing pieces, published journals, magazines, other periodicals and newspapers, and broadcast
13 through media such as radio, television, the Internet, and telephone communications systems,
14 that references a clinical study, Respondent shall (1) accurately reflect the methodology used
15 to conduct the clinical study; (2) shall not present favorable information or conclusions from a
16 study that is inadequate in design, scope, or conduct to furnish significant support for such
17 information or conclusions; (3) shall not use statistical analyses and techniques on a
18 retrospective basis to discover and cite findings not soundly supported by the study, or to
19 suggest scientific validity and rigor for data from studies the design or protocol of which are
20 not amenable to formal statistical evaluations; (4) shall not present information from a study in
21 a way that implies that the study represents larger or more general experience with the product
22 than it actually does; (5) shall not use statistics on numbers of patients, or counts of favorable
23 results or side effects, derived from pooling data from various insignificant or dissimilar
24 studies in a way that suggests either that such statistics are valid if they are not or that they are
25 derived from large or significant studies supporting favorable conclusions when such is not
26 the case.

1 F. Respondent shall not use the term "FDA approved" in reference to the FDA
2 510(k) clearance process.

3 G. Nothing in this AVC shall require Respondent to: (1) take an action that is
4 prohibited by the Federal Food, Drug and Cosmetic Act, 21 U.S.C. 301, *et seq.*, or any
5 regulation promulgated thereunder, or by the FDA; or (2) fail to take action as required by the
6 Federal Food, Drug and Cosmetic Act or any regulation promulgated thereunder, or by the
7 FDA.

8 **RELEASE**

9 16.

10 Based on inquiry into Respondent's promotional practices, the Attorney General has
11 concluded that this AVC is the appropriate resolution of any alleged violation of the Oregon's
12 Consumer Protection Laws. The Attorney General acknowledges by his execution hereof that
13 this AVC terminates his inquiry under the State Consumer Protection Law of Respondents of
14 spinal decompression devices prior to the Effective Date of this AVC.

15 17.

16 In consideration of the Remedies, payments, undertakings, and acknowledgments
17 provided for in this AVC, and conditioned on Respondent making full payment of the amount
18 specified in Paragraph 14 and subject to the limitations and exceptions set forth in Paragraph 18,
19 the State releases and forever discharges, to the fullest extent permitted by law, Respondent and
20 its past and present officers, directors, shareholders, employees, representatives, agents,
21 affiliates, parents, subsidiaries, predecessors, attorneys, assigns, and successors (collectively,
22 the "Releasees"), of and from any and all civil causes of action, claims, damages, costs,
23 attorney's fees, or penalties that the Attorney General could have asserted against the Releasees
24 under the State Consumer Protection Law by reason of any conduct that has occurred at any
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1 time up to and including the Effective Date of this Judgment relating to or based upon the
2 Matters Investigation of this AVC ("Released Claims"). This Release does not cover or
3 include Benjamin A. Altdadona or Altadonna Communications, Inc.

4 18.

5 The Released Claims set forth in Paragraph 17 specifically do not include the following claims:

6 (a) private rights of action by consumers, provided, however, that this Judgment
7 does not create or give rise to any such private right of action of any kind;

8 (b) Medicaid fraud or abuse;

9 (c) claims of antitrust, environmental or tax liability;

10 (d) claims for property damage; and

11 (e) claims to enforce the terms and conditions of this AVC.
12

13 GENERAL PROVISIONS

14 19.

15 A. Nothing in this AVC shall be construed to authorize or require any action by
16 Respondent in violation of applicable federal, state or other laws.

17 B. This AVC shall be effective ("**Effective Date**") on the date that it is approved by
18 the Marion County Circuit Court and Respondent has been notified via facsimile and regular
19 U.S. mail that all the parties hereto have fully executed this AVC.

20 C. If Respondent believes that modification of the terms of this AVC become
21 warranted due to (1) changes in the marketplace or applicable law, including, but not limited to,
22 administrative rules or (2) an erosion in Respondent's competitive position as a result of the
23 terms of this AVC, Respondent may submit the proposed modification in writing to DOJ. DOJ
24 will respond within a reasonable period of time after the receipt of the request.
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1 D. In the event any law or regulation is enacted or adopted by the federal
2 government or by the State of Oregon which creates an impossible conflict with the terms of
3 this AVC such that Respondent cannot comply with both the statute or regulation and the terms
4 of this AVC, the requirements of such law or regulation, to the extent of the impossible conflict,
5 and after written notice by Respondent, shall replace any provisions contained herein so the
6 compliance with such law or regulation shall then be in compliance with this AVC.

7 E. At any time during the term of this AVC, Respondent shall have the right to
8 request that DOJ, based on Respondent's act or performance of the terms of this AVC, modify
9 or terminate this AVC. DOJ shall make a good faith evaluation of Respondent's request and
10 make a prompt decision (in no event more than forty-five (45) days from Respondent's request)
11 as to whether to grant Respondent's request. The decision whether to grant Respondent's
12 request to modify or terminate this AVC shall rest solely within the discretion of DOJ.

13 F. Respondent recognizes that DOJ, by virtue of entering into this AVC, is taking
14 steps to ensure an appropriate code of conduct in the spinal decompression and medical device
15 industry. In addition to assuring its compliance with the terms of this AVC, Respondent has
16 agreed to advise DOJ of any instances where competitors in the industry are not in compliance
17 with the requirements of Oregon law. The decision as to whether to take any action based upon
18 that information is within the complete discretion of DOJ.

19 G. All notices and other communications relating to this AVC between DOJ and
20 Respondent shall be in writing and shall be deemed to have been given when delivered in
21 person to the parties' designated representatives at their addresses set forth below, or when
22 received or refused, if sent to parties' designated representatives at their addresses given below
23 by registered or certified mail with return receipt requested, or to such other representatives or
24 addresses as the parties shall designate by a notice sent in like manner.

25 H. Any notices required to be sent to DOJ or Respondent by this AVC shall be sent
26 by United States mail, certified mail, return receipt requested, or other nationally recognized

1 courier service that provides for tracking services and identification of the person signing for the
2 document. Any such notice shall be sent to Respondent at the following address: Axiom
3 Worldwide, Inc., 9423 Corporate Lake Drive, Tampa, Florida 33634, with a facsimile copy to
4 Respondent at: 813-884-9008, and copies to Respondent's attorneys by mail to Harrang Long
5 Gary Rudnick PC, attention: James E. Mountain, 1001 SW 5th Avenue, 16th Floor, Portland,
6 Oregon 97204 and by facsimile to Akerman Senterfitt, attention: L. Joseph Shaheen, at 813-
7 223-2837. Any such notice shall be sent to DOJ at the following address: Oregon Department
8 of Justice, attention Assistant Attorney General David A. Hart, Financial Fraud/Consumer
9 Protection Section, 1162 Court Street NE, Salem, Oregon 97301-4096.

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11 APPROVAL BY COURT

12 APPROVED FOR FILING and SO ORDERED this 23 day of June, 2007.

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14
15 Circuit Court Judge

16 REVIEW BY RESPONDENT'S ATTORNEY

17 Approved as to form.

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19 James E. Mountain
Attorney for Respondent

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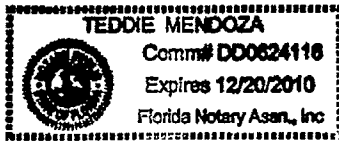
1 **RESPONDENT'S SIGNATURE AND ACKNOWLEDGMENT**

2 Respondent has read and understands this agreement and each of its terms. Respondent
3 agrees to each and every term.

4 **Corporate Respondent**

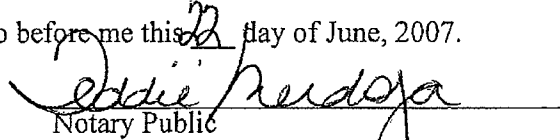
5 I, JAMES GIBSON, being first duly sworn on oath depose and say that I am the
6 PRESIDENT & CEO of AXION WORLDWIDE and am fully authorized and
7 empowered to sign this Assurance of Voluntary Compliance on behalf of AXION WORLDWIDE
8 and bind the same to the terms hereof.

9 
10 Print Name JAMES S. GIBSON JR



12 Title PRESIDENT & CEO
13 Address 9423 CORRAL LAKE PA.
14 TARA FL 33634

15 SUBSCRIBED AND SWORN to before me this 20 day of June, 2007.

16 
17 Notary Public

18 **ACCEPTANCE OF DOJ**

19 Accepted this 20th day of June, 2007.

20 HARDY MYERS
21 Attorney General

22 

23 David A. Hart OSB #00275
24 Assistant Attorney General
25 Department of Justice
26 Of Attorneys for Plaintiff
27 Financial Fraud/Consumer Protection Section
28 1162 Court Street NE
29 Salem, OR 97301-4096
30 Phone: (503) 947-4333
31 Fax: (503) 378-5017
32 Email: david.hart@doj.state.or.us

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4 DEPARTMENT OF JUSTICE
5 STATE OF OREGON

6 IN THE MATTER OF
7 AXIOM WORLDWIDE, INC.,
8 Respondent.

NOTICE OF UNLAWFUL TRADE
PRACTICES AND PROPOSED
RESOLUTION

9 TO: AXIOM WORLDWIDE, INC.
10 c/o James E. Mountain, Esq.
11 Harrang Long Gary Rudnick
1001 S.W. Fifth Avenue, 16th Floor
Portland, OR 97204

12 This notice is to inform you the Oregon Attorney General is authorized to file a lawsuit
13 against you 10 days after you receive this notice. The Attorney General is required by statute to
14 give you this notice. See Oregon Revised Statute 646.632.

15 You may avoid the filing of a lawsuit by delivering an Assurance of Voluntary
16 Compliance [AVC] to the Financial Fraud Section of the Oregon Department of Justice within
17 10 days after you receive this notice.

18 An AVC must be in writing and state what actions you intend to take to resolve the
19 violations described below. The AVC is not an admission of violation of law and is submitted to
20 a Circuit Court for the State of Oregon for approval and filing.

21 Before submitting the AVC to the Circuit Court, it must be approved and accepted by the
22 Attorney General. Once filed with the court, any willful violation of the terms of an AVC is a
23 contempt of court which may result in punitive or remedial sanctions including confinement and
24 civil penalties of up to \$25,000 per violation.

25 This notice becomes a public record after 10 days have passed following your receipt of
26 this notice.

NOTICE OF UNLAWFUL TRADE PRACTICES AND PROPOSED RESOLUTION Page 1 of 3
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DEPARTMENT OF JUSTICE
1162 Court Street NE
Salem, OR 97301-4096
PHONE: (503) 947-4333

Exhibit A
Page 1 of 3

1 The Attorney General sent you this notice because there are concerns you violated the
2 Oregon Unlawful Trade Practices Act, ORS 646.605 through ORS 646.656, including but not
3 limited to the following alleged conduct.

- 4 A) Misrepresenting the efficacy of the DRX 9000 and 9000C "axial decompression"
5 devices by claiming an 86% success rate for the treatment of degenerative disc
6 disease, disc herniations, sciatica, and post surgical pain, when in fact, you do not
7 possess competent and reliable evidence to substantiate this claim.
- 8 B) Misrepresenting that the FDA approved the devices and substantiated your efficacy
9 claims when in fact, this is not the case.
- 10 C) Misrepresenting that the DRX 9000 and 9000C was a scientific and medical
11 breakthrough that resulted from NASA discoveries when in fact, this is not the case.
- 12 D) Misrepresenting that patient testimonials relating to the DRX 9000 and DRX 9000C
13 are typical treatment outcomes when in fact, you do not possess competent and
14 reliable evidence to substantiate this claim.
- 15 E) Misrepresenting the nature of DRX 9000 and DRX 9000C treatment by encouraging
16 those seeking coverage by insurance companies for DRX 9000 and DRX 9000C
17 treatments to submit treatment codes other than the one customarily used for
18 unattended mechanical traction.

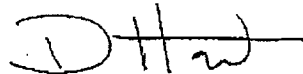
19 If we file the lawsuit, we will ask the court to order you to pay:

- 20 1) Civil penalties of up to \$25,000 for each violation;
21 2) Restitution to anyone harmed by your acts; and
22 3) Our reasonable attorney's fees, costs and disbursements.

23 In addition, we may ask the court to order that you be permanently enjoined from
24 conducting any aspect of any trade or commerce in the State of Oregon.

25 Dated this 16th day of March, 2007.

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NOTICE OF UNLAWFUL TRADE PRACTICES AND PROPOSED RESOLUTION
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DEPARTMENT OF JUSTICE
1162 Court Street NE
Salem, OR 97301-4096
PHONE: (503) 947-4333

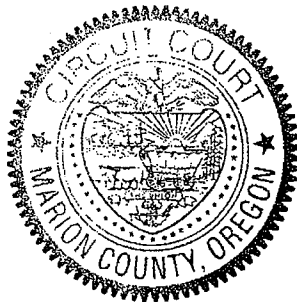
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David A. Hart OSB #00275
Assistant Attorney General
Department of Justice
Financial Fraud/Consumer Protection Section
1162 Court Street NE
Salem, OR 97301-4096
Phone: (503) 947-4333
Fax: (503) 378-5017
Email: david.hart@doj.state.or.us



STATE OF OREGON } ss
County of Marion }

The foregoing copy has been compared
and is certified by me as a full, true and
correct copy of the original on file in my
office and in my custody.

In Testimony Whereof, I have hereunto set
my hand and affixed the seal of the

Court on: 0128107
TRIAL COURT ADMINISTRATOR

By: [Signature]